
MEMORANDUM – OFFICE OF THE TOWN ADMINISTRATOR

TO: Board of Selectmen
FROM: Carter Terenzini, Town Administrator *Carter*
RE: FY 2015 Budget Transmittal
DATE: November 17, 2014
CC: Advisory Budget Committee



Enclosed is my recommended budget, legislative and administrative program for FY 2014.

First - The Numbers:

Contained within your budget book is our annual "Build To" analysis (Page 3). This puts our recommendations for FY 2015 on a "head to head" footing with its FY 2014 equivalent. You will see that the proposed Operating and Capital tax levy budget is down some \$397,000 or 4.1% on an unadjusted basis. After adjusting for the FY '14 application of fund balance on the Taylor acquisition and States Landing articles, and the FY'15 lost revenue on the Police Revolving Fund, the tax levy budget is still down .8%. It requires some \$155,000 less in applied fund balance to maintain a level tax levy budget. Increases in the Library and/or petition warrant articles over FY 2014 will impact all of these figures.

For the operating budget as a stand-alone item, the bottom line is a recommendation of \$7,703,218 for FY 2015. This is a decrease of 1.77% or approximately \$140,000 less than FY 2014 on a non-adjusted basis or \$115,000 on an accounting adjusted basis.

Next – The Number Drivers:

We had very few major cost drivers within the operating budget this year. The proposed COLA was relatively light at 1% for some \$40,000+/- . About 40% of our staff was eligible for steps this year for some \$30,000+/- . An anticipated increase in legal expenses of \$20,000 is driven by cable franchise and collective bargaining negotiations. Offsetting those increases were drops in:

- | | |
|-------------------------------------|----------|
| - Health Insurance | \$50,000 |
| - DPW Lease Expired | \$50,000 |
| - Software Support | \$5,000 |
| - Police Detail | \$20,000 |
| - Human Services | \$10,000 |
| - Employee Contribution to Benefits | \$10,000 |

The tax levy required for the capital budget was increased by roughly \$75,000 or 4.79%. This is slightly less than the permissible 5% cap. About one-third of that is in increased contributions to the Reserve Funds in our effort to get to the recommended Annual Required Contribution (ARC) levels.

In viewing those reductions please keep several things in mind:

- In losing the police detail expense you also lose the police detail revenue. Those will now flow from and to the revolving fund (ATM of 2014).
- The Tax Collection software support paid in 2014 for 2015 as part of the capital purchase package flows back into OPEX in 2016.
- The expired DPW lease is to be replaced by a Fire & Emergency Services lease as part of the capital budget.
- Health insurance, which came down as a result of our positive experience rating, a more favorable employee mix, and a bidding of the product to other vendors, can just as easily pop back up (by 16%+/- in some years).

Given the continuing high returns to the fund balance by the several departments, the use of Lump Sum Disallowed recommendations was continued this year totaling some \$22,500+/- . As previously discussed, our current annual return to fund balance is higher than I would normally anticipate. It remains my hope to reduce that over time.

Safety Valves & Needs:

On the operating side, we have no major safety valves for added savings in FY 2015, beyond those proposed herein unless you make a reduction in services or restructure how those services are delivered.

On the capital side, savings would require cuts in our investments for which we have a settled strategy to increase. We caution against any such cuts. As you know from our lengthy discussions over the fund balance and trust fund policy, these short term solutions generally tend to have negative long term consequences.

Should any additional savings or revenues be identified I would recommend that you put them into one time capital expenditures or contributions to reserves.

Finally:

With that as background, the staff and I look forward to answering your questions and preparing for Town Meeting.

FY 2015 Build to Analysis

	FY 2014	FY 2015
Operating Budget (1)	\$7,841,764	\$7,703,218
Roads (FY '14 - Art. 11)	\$670,000	\$680,000 (2)
Capital Outlay (FY '14 - Art. 12)	\$138,000	\$206,000 (3)
Capital Reserves (FY '14 - Art. 14)	\$404,090	\$424,000 (4)
Maintenance Reserves (FY '14 - Art. 15)	\$208,000	\$205,500
Taylor Property Acquisition (FY '14 - Art. 7) (5)	\$275,000	\$0
States Landing Improvements & Planning (5)	\$25,000	\$0
Blue Ribbon Commission - Site Study	\$17,500	\$0
Fire Department Apparatus Equipment	\$62,000	\$0
Additional Repairs to Phase II - Pathway	\$22,875	\$0
5 Year Lease - Fire Dept. Initial Attack Apparatus	\$0	\$48,500
Total	\$9,664,229	\$9,267,218 (6)
Increase/Decrease		-4.11% (7)

Notes: (1) Includes Stewart Paramedic Rider (FY '14 - Art. 20)

(2) Net after application of Highway Block Grant

(3) Net after withdrawal from reserves

(4) Net after withdrawal from reserves

(5) Net cost of - \$0 - after application of fund balance

(6) The Library is outside of the influence of TA and Staff and therefore not incorporated within this budget. The School, Carroll County, and various petitioned warrant articles beyond our control are not included.

(7) Net Decrease of .8% after adjusting for application of FY '14 Fund Balance and FY '15 loss of Police Detail Revenue

2015 BUDGET TOWN OF MOULTONBOROUGH

	BUDGET 2014	ACTUAL 2014 EXPENDITURES	BUDGET 2015
GENERAL GOVERNMENT:			
Executive Officers	\$ 464,602.00		\$ 451,828.00
Administration	\$ 468,672.00		\$ 472,482.00
Tax Collector	\$ 161,204.00		\$ 162,338.00
Town Clerk	\$ 213,791.00		\$ 208,735.00
Town Assessing	\$ 214,498.00		\$ 214,685.00
Abatements	\$ -		
Elections	\$ 25,682.00		\$ 26,429.00
DPW - Facilities	\$ 282,500.00		\$ 292,500.00
Development Services	\$ 306,608.00		\$ 308,910.00
Insurance	\$ 80,000.00		\$ 88,000.00
PUBLIC SAFETY:			
Police Department	\$ 1,726,156.00		\$ 1,684,635.00
Fire Department	\$ 941,742.00		\$ 964,433.00
Stewart's Ambulance Service- Amendment to Contract	\$ 40,000.00		\$ -
HIGHWAYS AND STREETS (incl. CEMETERIES):			
Highways & Streets -			
DPW - Highway	\$ 1,535,046.00		\$ 1,471,412.00
DPW - Private Roads	\$ 262,750.00		\$ 257,780.00
DPW - Cemeteries	\$ 25,156.00		\$ 22,337.00
Road Projects	\$ 670,000.00		\$ 680,000.00
Road Improvement Block Grant	\$ 130,000.00		\$ 130,000.00
SANITATION:			
DPW - Transfer Station	\$ 543,512.00		\$ 542,746.00
WELFARE:			
Human Services	\$ 141,148.00		\$ 131,080.00
HEALTH & SOCIAL SERVICES:			
Visiting Nurse Service	\$ 85,000.00		\$ 80,000.00
Loon Preservation Center			
Interlakes Community Caregivers			
Tri-County Community Action Program			
Central NH VNA Hospice			
MS Senior Meals Program			
Starting Point			
Child & Family Service			
Lakes Region Food Pantry			
Sandwich Children's Center			
Winnepesaukee Wellness Center			
Suicide Prevention Coalition			
Interlakes Day Care Center			
LIBRARY:			
Library			
CULTURE AND RECREATION:			
Recreation	\$ 323,697.00		\$ 322,888.00

CAPITAL OUTLAY:			
Mach., Vehicles and Equipment:			
Fire Department - Bunker Gear	\$ 15,000.00		\$ 15,000.00
Fire Department - Roofing	\$ 35,000.00		
Fire Department - Initial Attack Apparatus Article #	\$ -		\$ 48,500.00
Fire Department - Apparatus Equipment - Paramedic Level	\$ 62,000.00		
Police Department - Cruiser	\$ 50,500.00		\$ 50,500.00
DPW Highway - 6 Wheel Dump w/Plow & Sander	\$ 95,000.00		
DPW Highway - Tele-Arm Lift Truck	\$ 40,000.00		
DPW Highway - Skid Steer	\$ 55,000.00		
DPW Highway - Payloader	\$ -		\$ 185,000.00
DPW Facilities - Flooring Replacement	\$ 25,000.00		
DPW Facilities - PSB Energy Improvements	\$ -		\$ 30,000.00
DPW Facilities - PSB Parking Lot	\$ -		\$ 10,000.00
DPW Facilities - Highway Garage Water Treatment	\$ -		\$ 20,000.00
Recreation Dept - Pathway Repairs	\$ 37,500.00		
Recreation Dept - Softball Field Initial Design & Permitting	\$ -		\$ 15,000.00
Recreation Dept - States Landing Park and Beach Facility	\$ 25,000.00		\$ 50,000.00
Recreation Dept - Pathway - Repairs to Phase II	\$ 22,875.00		\$ 63,000.00
Acquire Map 052 Lot 014	\$ 275,000.00		
Blue Ribbon Commission Gym Facility Site Study	\$ 17,500.00		
Moultonborough Bay Inlet Study	\$ -		
TO CAPITAL RESERVE ACCOUNTS:			
Comm Substance Abuse P&E - CR	\$ 1,590.00		\$ -
Communications Technology - CR	\$ 25,000.00		\$ 27,500.00
Reappraisal - CR	\$ 24,000.00		\$ 24,000.00
Firefighting Equipment - CR	\$ 110,000.00		\$ 110,000.00
PD Comm Equipment - CR	\$ 1,000.00		\$ -
Public Works Equipment - CR	\$ 162,500.00		\$ 162,500.00
Municipal Building - CR	\$ 80,000.00		\$ 100,000.00
Personnel Reserve - CR	\$ -		
TO TRUST AND AGENCY FUNDS:			
Milfoil - MF	\$ 200,000.00		\$ 200,000.00
Lee's Mills - MF	\$ 3,000.00		\$ 3,000.00
Historical Buildings - MF	\$ 2,500.00		\$ -
Dry Hydrant - MF	\$ 2,500.00		\$ 2,500.00
EXPENDITURES FROM CR AND MF			
Lee's Mill Improvements	\$ -		
Town Property Acquisition Fund	\$ -		
Milfoil - MF	\$ -		
TOTAL APPROPRIATIONS (GROSS)	\$ 10,009,229.00	\$ -	\$ 9,629,718.00

	Estimated Revenue 2014	Actual Revenue 2014	Estimated Revenue 2015
TAXES:			
Land Use Change Taxes	\$ 15,000.00		\$ 10,000.00
Yield Taxes	\$ 10,000.00		\$ 10,000.00
Payment in Lieu of Taxes	\$ 35,000.00		\$ 35,000.00
Boat Taxes	\$ 22,500.00		\$ 22,500.00
Interest & Penalties on Taxes	\$ 35,000.00		\$ 50,000.00
LICENSES AND PERMITS:			
Motor Vehicle Permit Fees	\$ 1,025,000.00		\$ 1,050,000.00
Building Permits / Health Fees	\$ 55,000.00		\$ 55,000.00
Other Licenses, Permits, Fees	\$ 12,500.00		\$ 12,500.00
FROM STATE:			
Shared Revenue:			
Meals & Room Tax Distrib.	\$ 200,000.00		\$ 180,000.00
Highway Block Grant	\$ 125,000.00		\$ 130,000.00
State Aid to Roads (Fox Hollow)	\$ -		
CHARGES FOR SERVICES:			
Income From Departments:			
Nurse Income	\$ -		
Police Department Income	\$ 50,000.00		\$ 50,000.00
WMF Income	\$ 125,000.00		\$ 135,000.00
MISCELLANEOUS REVENUES:			
Sale of Municipal Property	\$ 5,000.00		\$ 10,000.00
Interest on Investments	\$ 25,000.00		\$ 15,000.00
Other Miscellaneous Revenue:			
Rent Town Property	\$ 1,860.00		\$ 1,860.00
Land Use Office - Income	\$ 12,500.00		\$ 12,500.00
Miscellaneous Income	\$ 80,000.00		\$ 90,000.00
WMF/Beach/Temp. Permits	\$ 48,500.00		\$ 70,000.00
Cable Franchise	\$ 30,000.00		\$ 30,000.00
Cemetery Trust Fund Interest	\$ 100.00		
Forest Fire Reimbursement	\$ 5,000.00		\$ 5,000.00
Employee Insurance Payment	\$ 80,000.00		\$ 90,000.00
Lee's Mill - Dock Leases	\$ 2,700.00		\$ 3,000.00
INTERFUND OPERATING TRANSFERS IN:			
FROM MAINTENANCE TRUST FUNDS:			
	\$ -		\$ -
FROM CAPITAL RESERVE FUNDS:			
Municipal Building CR	\$ 55,000.00		\$ 75,000.00
Public Works Equipment CR	\$ 160,000.00		\$ 157,500.00
OTHER FINANCING SOURCES:			
	\$ -		
TOTAL REVENUES AND CREDITS	\$ 2,215,660.00	\$ -	\$ 2,299,860.00
Total Appropriations	\$ 10,009,229.00	\$ -	\$ 9,629,718.00
Total Appropriations does not include Carry-Over			
Less Amount of Estimated Revenues	\$ 2,215,660.00	\$ -	\$ 2,299,860.00
Amount of Taxes to be Raised - Before Offset of Fund Balance	\$ 7,793,569.00	\$ -	\$ 7,329,858.00
Offset of Application w/ Fund Balance	\$ 300,000.00	\$ -	\$ -
Amount used to reduce Taxes	\$ 540,000.00		\$ 385,000.00
Amount of Taxes to be Raised	\$ 6,953,569.00	\$ -	\$ 6,944,858.00
(Exclusive of School/County Taxes)			